

SENATE BILL REPORT

EHB 1087

As Reported by Senate Committee On:
Economic Development, Trade & Innovation, March 30, 2009

Title: An act relating to improving the effectiveness of the office of minority and women's business enterprises.

Brief Description: Improving the effectiveness of the office of minority and women's business enterprises.

Sponsors: Representatives Kenney, Pettigrew, Hasegawa, Darneille, Chase, Nelson, Sullivan, Dickerson, Hudgins, White and Upthegrove.

Brief History: Passed House: 2/20/09, 86-8.

Committee Activity: Economic Development, Trade & Innovation: 3/18/09, 3/30/09 [DPA].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Majority Report: Do pass as amended.

Signed by Senators Kastama, Chair; Shin, Vice Chair; Zarelli, Ranking Minority Member; Delvin, Eide and Kilmer.

Staff: Philip Brady (786-7460)

Background: The Office of Minority and Women's Business Enterprises (OMWBE) was created in 1983 to provide minority and women-owned businesses the maximum practical opportunity to participate in public contracts. OMWBE must develop and implement a comprehensive plan to provide opportunities, identify barriers to establish annual goals for participation, maintain a certification list for agencies, and submit an annual report to the Governor and Legislature.

The Director of the OMWBE (director) may establish an ad hoc advisory committee as necessary.

Summary of Bill (Recommended Amendments): The Office of Financial Management (OFM), in consultation with the OMWBE, must develop a strategic plan to increase the effectiveness of all agencies in contracting with minority and women-owned businesses, and must update it at least annually. The strategic plan must have timelines, include strategies to

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facilitate communication with certified businesses, improve outreach, streamline the certification process, focus technical assistance, address barriers to participation, and develop accountability measures. OFM must file an initial report by September 1, 2009, and file annual reports beginning on December 1, 2009.

Every state agency and educational institution must report to OFM and OMWBE on participation by certified businesses in the agency or institution's contracts. The director will determine the appropriate format. OFM must also aggregate reports from all agencies and institutions and submit them to the Legislature and Governor. OFM must also develop and maintain a list of contacts at each agency and institutions that are able to present to the appropriate committees of the Legislature on their agency or institution's efforts towards increased minority and women contracting.

The director may establish ad hoc advisory committees to provide policy advice, and the committees may meet as often as is necessary. Membership may be as many as 15 persons, must be geographically diverse unless such diversity would reduce the ability of the group to provide advice, and should include organizations that represent minority and women-owned businesses. Representatives of local and state government agencies may participate, but only as nonvoting members.

EFFECT OF CHANGES MADE BY ECONOMIC DEVELOPMENT, TRADE & INNOVATION COMMITTEE (Recommended Amendments): Duties are shifted from OMWBE to OFM, and an accountability mechanism is created for agencies that fail to increase the percentage of their contracts that go to women and minority-owned businesses. The advisory committee provisions are permissive and ad hoc rather than mandatory and permanent.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: Yes.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Engrossed House Bill: CON: Requiring OMWBE to create a strategic plan to increase its effectiveness is not only redundant but blames OMWBE for the fact that agencies are not contracting with more minority and women-owned businesses. The requirement to have an advisory committee replaces one removed 13 years ago because it was ineffective and it was hard to get people to participate. Reporting doesn't do anything, because the agencies' numbers never change. It would be more effective to make the agencies accountable for their lack of progress, so the program, not the office, should be changed.

Persons Testifying: CON: Jim Medina, citizen.